INTERNATIONAL TRADE 1965: GATT ANNUAL REPORT PUBLISHED

International Trade 1965 has four parts:

I. Recent Trends in International Trade, including a Note on trade and output in the less-developed countries and a Note on the export performance of the less-developed countries.

II. Trade in Primary Commodities and in Manufactures.

III. Trade of Industrial Areas.

IV. Trade of Non-Industrial Areas.

Annexes 1. Detailed statistics on consumption and trade for vegetable oils and oilseeds.


I. RECENT TRENDS IN INTERNATIONAL TRADE

Main Features of International Trade During 1965

The value of world exports increased by more than 8 per cent in 1965, a fairly high rate of growth for the third year in succession. In volume terms, the increase was about 7 per cent, as against a growth of very approximately 6 per cent in world commodity output. In other terms, the rapid intensification of world trade, noted in 1964, when the volume of exports increased by some 10 per cent and output by only about 6 per cent, did not continue in 1965. It appears, however, that this change was the outcome of two contrasting tendencies. On the one hand, world agricultural production, and more particularly food production, advanced very little in 1965, while trade in foodstuffs, partly thanks to substantial de-stocking and to the good 1964 crops in a number of exporting countries, continued to expand fairly rapidly in volume terms. On the other hand, world manufacturing production increased at about the same rapid rate in 1965 as in 1964, but there was a marked slowing down in the growth in the volume of world exports of raw materials and manufactures. (Pages 1-2)

In 1965, the deceleration in the rate of growth of exports of manufactures (including base metals) was concealed by a significant increase in their unit value while the unit value of world exports of primary products (excluding base metals) declined somewhat, following the significant increase registered in 1964. As a result, the overall price increase in the dollar value of world exports was only about 1 per cent, as against 2 per cent in 1964. Nevertheless, the past three years have seen a clear upward trend in the overall price level of world trade, largely under the impact of the resumption of the increase in prices for manufactures. This stands in contrast with the overall stability prevailing between 1953 and 1962 and indicates that the domestic inflationary tendencies have started to affect the stability of prices in international trade. (Pages 2-3)

The industrial areas registered, in 1965, an export surplus after having been practically in balance during the two previous years. This surplus was entirely registered in the trade with Australia, New Zealand and South Africa, the significant deficit with the less-developed areas remaining the same in 1965 as in the two previous years. The less-developed areas maintained their very small overall surplus, as their substantial 1964 deficit with the Eastern trading area was somewhat reduced in 1965. The Eastern trading area also maintained its small overall surplus, thanks to a decrease in the deficit with the industrial areas. (Pages 3-4)
Since 1959, internal trade of both the EEC and EFTA has consistently grown at higher rates than world trade and the same applied, since 1961, to LAFTA (Latin American Free Trade Association) and CACM (Central American Common Market). The growing regionalization of world trade was an important feature of the 1965 developments, but contrary to what happened in the previous two years, it occurred in the context of a general slowdown of world trade expansion and in particular of slower economic growth in the EEC and in EFTA. . . .

Internal trade in both areas continued to grow at higher rates than trade with third countries and world trade. Indeed, the discrepancy between the rates of growth of internal trade, and those of imports from third countries, widened significantly in 1965.

The value of trade in primary products, in general, and in agricultural raw materials in particular, increased much less in 1965 than in 1964. As a result, in value terms the slackening was more marked in the growth of imports of industrial countries from non-industrial countries (4 per cent in 1965 against 9 per cent in 1964) than in trade among industrial countries (11 and 14 per cent). Among the non-industrial countries, the most affected were Australia, New Zealand and South Africa; imports of the industrial areas from these countries actually declined by 5 per cent in 1965 after a 10 per cent increase registered in 1964. Imports from the Eastern trading area, which had increased by 16 per cent in 1964, expanded by only 12 per cent in 1965. Finally, imports from the less-developed countries increased by about 6 per cent in 1965 as against 9 per cent in 1964, but if adjustment is made for the change in crude oil import prices, the 1965 growth rate would be around 7 per cent.

On a year-to-year basis, the 1965 deceleration in the rate of growth of imports of industrial countries from the rest of the world in general, and from less-developed countries in particular, appears to have been of a relatively limited scope, even in terms of current values. (Page 6)

The export earnings of less-developed areas continued to be determined largely by the demand for primary commodities and base metals in the industrial areas. Nevertheless, since the early sixties, there has been a certain diversification of the exports of less-developed areas, both by commodities and by geographical destinations, in spite of the fairly rapid growth of their traditional exports. (Page 8)

The diversification of the commodity pattern of exports continued in 1965, in spite of the setbacks experienced on the markets of the United Kingdom and France. Exports of manufactures (other than base metals) from the less-developed areas to industrial countries increased by almost 14 per cent in 1965: this rate was the same as in 1964 and also the average for the 1960-1964 period. (MORE)
This trade is still confined to a relatively narrow range of products and to a small number of countries and, consequently, its share in the aggregate exports of the less-developed areas to industrial countries remains relatively small, of the order of 9 per cent in 1965 against 8 per cent in 1960.

The share of exports to the Eastern trading area in the total exports of the less-developed areas increased from 4.5 per cent in 1960 to 5.6 per cent in 1964 and jumped to 6.5 per cent in 1965. The Eastern trading area has become an increasingly important market for cotton, rubber, sugar and some cereals while also appearing as a significant importer of a number of other primary products (e.g. cocoa, jute, phosphates, some oilseeds, etc.). This trade continued to be concentrated on a relatively small number of less-developed countries (e.g. Cuba, United Arab Republic, Indonesia, India, Ghana, etc.), but there have been a growing number of newcomers in recent years. (Page 9)

The adjusted trade among less-developed countries, which had increased by only 11 per cent between 1953 and 1959, went up by 37 per cent between 1959 and 1964, i.e. at a rate which was higher than the one registered for exports to developed countries. Moreover, whereas in the 1953-1959 period the whole increase resulted from higher intra-trade in petroleum and petroleum products (excluding of course the duplicating items), this group accounted for only one fifth of the increase between 1959 and 1964. (Page 10)

It should be noted that, according to preliminary indications, the bulk of the 1965 increase in trade between less-developed countries consisted of foodstuffs. This represents the continuation of a trend which started around 1960... The protracted stagnation of trade in raw materials between less-developed countries resulted not from insufficient supplies, but from stringent import restrictions for balance-of-payments reasons, which prevented manufacturing industries in a number of these countries from using more than a fraction of their capacities. Finally, although intra-trade in manufactures expanded more or less pari passu with total trade between the less-developed countries, its growth was hampered by growing protection of newly established industries in a number of countries. It is characteristic in this respect that the only significant expansion was obtained in the framework of customs unions and regional groupings. The most important actual or potential markets for foodstuffs and raw materials in the less-developed areas are offered by those countries which are in a position to supply a relatively wide range of manufactures to other less-developed countries. Less-developed countries can hardly be expected to spend in other less-developed countries a substantial part of the increment in their export earnings from industrial countries. Consequently, a further significant expansion of trade between less-developed areas is only likely to be achieved if the increasing exports of foodstuffs and raw materials are matched by a growing flow of manufactures in the opposite direction; this presupposes an easing of access to the markets of primary producers, or at least no further aggravation of the restrictive tendencies which have prevailed in the past few years. (Page 11)
Note on Trade and Output in the Less-Developed Countries

This Note summarizes the development of exports, imports and output in the less-developed countries during the first five years of the development decade and indicates a few salient features which may explain the discrepancies between the projected and actual rates of growth obtained. (Pages 12-23)

Note on the Export Performance of Less-Developed Countries

The purpose of this Note, covering the 1959-1965 period, is three-fold. In the first place, it attempts to ascertain to what extent various actual combinations of traditional exports would have resulted in sharply different rates of growth in export earnings of various countries. The second purpose is to try to answer the question to what extent the differential rates of export growth in various less-developed countries can be explained by the pattern of their traditional exports. Finally, an attempt is made to identify the role of changes in market positions and of the diversification in the commodity pattern of exports in determining the actual performance of individual countries. (Pages 23-32)

II. TRADE IN PRIMARY COMMODITIES AND IN MANUFACTURES

After a particularly fast growth in 1964, world exports of both manufactures and primary products continued to expand in 1965, although at a somewhat less rapid rate. The value of world exports of manufactures (including non-ferrous metals) grew by 12 per cent in 1965, as compared with 14 per cent in 1964; the slowing down for primary products was much more pronounced - from 9 per cent in 1964 to 4 per cent in 1965. As a result, the share of manufactures in the value of world trade continued to rise, reaching 59 per cent in 1965, as compared with 45 per cent in 1952.

The much faster growth in value terms of world exports of manufactures than of primary products reflected to some extent divergent price movements. Unit values of world exports of non-ferrous metals rose by 15 per cent and those of other manufactures by 1 per cent, while unit values of primary products declined by roughly 1 per cent in 1965, following a 3 per cent increase in the preceding year.

Even in volume terms, trade in manufactures showed a more rapid expansion than exports of primary commodities, continuing a long-established trend. The growth in manufacturing output in 1965 was about 7 per cent, slightly less than in the preceding year, and the volume of world exports of manufactures (including base metals) rose by 9 per cent, as against 12 per cent in the preceding year. The growth in the output of primary products, on the other hand, did not exceed the very low rate registered in the preceding year, due especially to the fact that agricultural production increased by no more than
1-2 per cent, while mining activity rose by about 4 per cent. The volume of world exports of primary products rose in 1965 by about 6 per cent, about the same rate as in 1964, the growth of mineral products far exceeding that of agricultural commodities.

The overall growth in the volume of exports of primary commodities and the near-stability in their aggregate price level conceal, however, very significant divergent movements as between various commodities. These reflect different underlying factors on both the demand and supply sides. (Page 33)

Among the three broad groups of primary commodities trade in raw materials experienced the most pronounced deceleration in 1965. This reflected largely the movement of imports into industrial countries, which account for three quarters of world imports; after an increase of 11 per cent in 1964, they rose by merely 2 per cent in 1965. (Page 35)

Trade in manufactures among industrial countries continued, as in the preceding years, to expand at a faster rate than the world average. The deceleration from 16 per cent in 1964 to 13 per cent in 1965 reflected to some extent a less rapid growth in trade of those commodity groups, especially metals and other semi-manufactures, where the expansion had been particularly strong in the preceding year. (Page 39)

Note on Long-Term Trends on the Oilseeds and Vegetable Oils Market

Between 1955 and 1965, world trade in oilseeds and in vegetable oils experienced a sustained growth. Apart from the moderate but steady increase in world consumption of fats and oils for food purposes, a dominant element was the rapidly growing demand in industrial countries for the main by-products of oil-crushing, i.e. oilcakes and meals. This was reflected both in the shift towards soyabean within total imports of oilseeds, so that the oilcake content of seeds in world trade expanded much faster than their oil equivalent, and in the even more vigorous growth of world trade in oilcakes as such.

This Note examines some of the principal underlying factors in consumption and production of oilseeds and vegetable oils. This is of interest in view of the important price recovery after 1962. For 1965 as a whole, as measured by the FAO index for oilseeds, oils and fats, prices were about 25 per cent higher than their level of 1962 and about 5 per cent higher than that of 1953-1955. During the same period the volume of world exports expanded rapidly in the case of oilseeds and relatively slowly in that of vegetable oils, but the participation in this expansion varied considerably as between the different types. (Pages 39-60)

Trade in Individual Products

The Report examines trade in foodstuffs (page 60), fibres and rubber (page 82), ores and non-ferrous metals (page 89), fuels (page 94), textiles and clothing (page 97) and road motor vehicles (page 113).
III. TRADE OF INDUSTRIAL AREAS

In 1965, economic growth continued to accelerate in North America, but slackened considerably in Western Europe and almost came to a standstill in Japan. Aggregate gross national product of Western Europe is estimated to have risen by about 3.5 per cent in real terms, that of North America by nearly 6 per cent, a development distinctly different from that in the two preceding years when the economies of both areas had expanded at identical rates of 4 per cent in 1963 and 5 per cent in 1964. For Western Europe, this was one of the lowest rates of growth in post-war history; lower rates prevailed only in the depression years 1952 and 1958 when output rose by only 2.5 per cent.

In a number of industrial countries, the slackening of the rate of increase in economic activity in 1965 was primarily the result of stabilization policies...

(End of page 121)

As could be expected under these circumstances, aggregate imports of the industrial countries rose less fast than in 1964, i.e. by 9 per cent in value to $127.5 billion, compared with an increase of 12 per cent the year before. It is surprising that this slow-down in import growth remained fairly in proportion with that in economic growth, when it is considered that in Western Europe, which accounts for over 70 per cent of the combined imports of all industrial areas, the rate of economic growth declined from 5 per cent in 1964 to 3.5 per cent in 1965, and that in Japan, which absorbs another 6 per cent of total imports, economic growth slowed down from 11 per cent in 1964 to a mere 3.5 per cent in 1965.

(End of page 122)

In 1965, total exports of the industrial areas increased by 10 per cent to $120.5 billion, compared with 14 per cent in 1964, a development very similar to that of their imports. In the case of most countries, export growth was lower than the year before, major exceptions being Japan, Italy, France, the United Kingdom, Switzerland and Yugoslavia - i.e. the countries which, for balance-of-payments reasons, had successfully restrained the growth in domestic demand and imports.

Surprising, on the other hand, is the drastic slow-down in the growth of North American exports from 17 per cent in 1964 to 4 per cent in 1965. A number of exceptional factors were responsible for this development, apart from the effect of less dynamic European and Japanese import demand. It also seems that the increase in exportable surpluses of manufactures was smaller than in 1964 and that export initiatives had weakened, both as a result of the strong domestic boom. (End of page 124)

The industrial countries' aggregate imports of capital goods (excluding passenger cars) continued to grow at nearly the same rate as the year before, rising by 12 per cent in 1965. Roughly 60 per cent of this increase was absorbed by the United States, the Federal Republic of Germany, Greece and Spain, the combined imports of those countries expanding by one third. (End of page 126)
Trade between Western Europe and North America which had shown a very lively development in 1964, continued to expand primarily in only one direction: while the growth in European exports to North America accelerated from 10 per cent in 1964 to 19 per cent the following year, with the value of total deliveries reaching $7.4 billion, shipments in the opposite direction were, at $10 billion, only 3 per cent higher than in 1964 when they had shown a 16 per cent increase. A similar trend can be observed with regard to trade between Japan and other industrial areas: combined European and North American exports to Japan nearly stagnated at $2.9 billion, but Japanese deliveries to North America rose by one third, and those to Western Europe by over one quarter.

Compared with this development in trade between the industrial countries, aggregate imports of these countries from the developing areas rose by only 5.5 per cent to $29.2 billion in 1965, against rates of 9 per cent registered during the two preceding years. This relatively modest increase is mainly attributable to the widespread weakening in the growth of food imports, the decline in crude oil prices and the stagnating demand for raw materials in Western Europe. On the other hand, purchases of manufactures other than base metals (i.e., mainly of light manufactures) from the developing countries by the EEC and the United States rose by nearly one quarter in 1965, a considerably larger increase than the year before. Thus, while the industrial countries' aggregate imports of primary commodities and base metals from the developing areas expanded by 5 per cent or by about half the rate recorded in 1964, imports of all other manufactures increased nearly as fast as the year before (14 per cent).

North America

For the fifth consecutive year, the economies of Canada and the United States continued to expand vigorously in 1965. Economic developments in both countries followed remarkably similar patterns. Gross national product, private consumption, business investments and industrial production rose at nearly identical rates. Major dynamic elements were private consumer demand especially for durable goods, stimulated by tax cuts in 1964 and 1965, and business investments in machinery and equipment. Both countries were close to full employment of manpower resources and available industrial capacities. Partly due to exceptional factors and partly the result of demand pressure, wholesale and consumer prices - which had been remarkably steady during previous years - started to move upwards, especially in the second half of 1965. Foreign trade of Canada and the United States also followed similar trends, both as regards the rapid expansion of imports and the commodity composition of additional import demand, and the disappointing performance of exports to major areas of destination.
North American exports, at $33 billion, were only 4 per cent higher than in 1964. This modest growth compares with rates of 17 per cent and 8 per cent registered in 1964 and 1963, respectively; moreover, the increase is entirely attributable to a sustained 14 per cent expansion (to $10 billion) in intra-North American trade, while exports to third countries virtually stagnated at $23 billion. (Page 128)

The European Economic Community

Economic growth in the EEC continued in 1965 though at a more moderate pace than in the preceding year. Aggregate gross national product advanced by about 4 per cent in real terms compared with 5.6 per cent in 1964, while the decline in the growth of industrial production was more marked with a rate of 4 per cent as against 7 per cent in the previous year. The principal cause of the slow-down was a slackening of aggregate internal demand, the components of which - private and public consumption and more particularly fixed capital formation - all expanded at a lower rate than the year before. The accumulation of stocks also seems to have slowed down appreciably.

As in 1964, the economic development of individual member countries showed sharply diverging trends. As a result of the stabilization policies introduced in 1963/64 private consumer expenditure and investment demand continued to be sluggish in Italy; in the case of France, their growth rates, on a year-to-year basis were lower than in 1964. However, in the second half of 1965, there were signs of a recovery, at least in production, in both of these countries, largely under the influence of strong external demand and as a result of a relaxation of restrictive policies. In Belgium too, economic growth in 1965 was slower than in the preceding year, as investment activity and consumer demand slackened due to stabilization measures adopted in 1964. Economic activity in Luxemburg, as a result of the depressed situation in the iron and steel industry, also slowed down after a highly satisfactory performance in 1964. By contrast, consumer expenditure in the Federal Republic of Germany and in the Netherlands continued to accelerate, stimulated by considerable increases in wages and salaries and by tax cuts, while fixed capital formation, though rising at lower rates than in 1964, still showed appreciable gains. In spite of this favourable development of internal demand, production growth in both countries was weaker than in 1964; in particular, industrial output rose at lower rates, mainly due to capacity limitations and labour shortages.

The overall outcome of these varying internal developments was a further reduction in the rate of growth of total EEC imports from 11 per cent in 1964 to 9 per cent in 1965, as compared with 13 per cent reached in 1963. This slowdown affected both trade within the EEC and imports from third countries. At the same time, the persistent gap between the rates of growth of intra-EEC trade and those of imports from third countries, which has existed for several years, was somewhat accentuated in 1965. (Pages 142-143)
In 1965, imports from industrial countries increased less rapidly than those from developing countries, though this difference was less marked than in 1964. The reduction in the rate of increase affected in roughly the same proportions imports from EFTA and from North America, whereas those from Japan continued to expand rapidly. The fast rise in imports from the Eastern trading area in 1965 was largely the effect of the better 1964 harvests in that area. In contrast, imports from Australia, New Zealand and South Africa - which are in part in competition with those from the Eastern trading area - moved in the opposite direction in each of those years.

Total EEC imports from the developing countries, though likewise slowing down considerably, still advanced by per cent to $10.5 billion. In particular, imports from the Middle East and South and Central America continued to rise at nearly unchanged rates, most of the increase being concentrated on purchases from Iran, Israel, Argentina, Chile, Brazil, Colombia and Mexico. Imports from South-East Asia and from non-associated African countries, which had grown very rapidly in the preceding year, weakened but still showed appreciable gains, primarily due to sharp increases in purchases from Hong Kong, Libya, Nigeria and Zambia. In fact, aggregate imports from the above eleven individual countries rose by 21 per cent, whereas those from all other developing countries advanced by only 2 per cent. In particular, purchases from the associated African countries and from Algeria declined by 2 per cent after a 12 per cent increase in 1964.

The European Free Trade Association

In all EFTA countries, except Norway and Portugal, economic growth weakened considerably in 1965. Industrial production slowed down nearly everywhere; for the area as a whole, output advanced by only 4 per cent compared with 7.5 per cent the year before.

Total EFTA imports, including internal trade, rose by only 5 per cent to $32.2 billion in 1965, an extremely moderate increase when compared with the 14 per cent recorded a year earlier. Primarily, this low rate reflects the stagnation in British imports.

On the other hand, total EFTA exports (including internal trade) continued to rise - by almost 9 per cent - as in the two preceding years and reached $26.1 billion in 1965. However, this development was the result of two diverging trends: a considerable acceleration in the growth of British exports, and a marked slow-down in combined exports of the other member countries.
Japan

Japan's remarkable export performance both in 1964 and 1965 is largely attributable to the continued favourable development of world imports, and in particular to the strong import demand of the United States, its major single customer, of certain developing areas and of mainland China. It should be noted, however, that in 1964 Japan's exports rose nearly twice as fast as world trade, and that in 1965 their growth was more than three times as high. To some extent, this disproportionate expansion can be explained by the stimulation given to exports by the weakness in domestic demand. More generally, however, the expansion seems to be due to high productivity gains in industry, notably steel production and shipbuilding, and to a rapid shift in the structure of domestic output to the production of goods for which there is strong external demand, such as chemicals and certain types of capital goods.

Typically, the export expansion in 1965 was again based on the commodities which have been extremely successful on international markets during recent years: chemicals, iron and steel products and machinery and transport equipment. During the last three years, combined sales of these products have more than doubled, and their share in total Japanese exports grew from slightly over two fifths in 1962 to 53 per cent in 1965. Shipments of all other commodities rose by less than one third during the same period. In 1965 exports of, for instance, textile yarns and fabrics increased by only one tenth to $1.14 billion, of clothing by 14 per cent to $207 million, and of toys, plywood and pottery by 2.5 per cent to $247 million, in each case primarily due to higher deliveries to North America. (Page 194)

Total Japanese exports to North America ($2.7 billion in 1965) and to the EEC ($485 million) increased by roughly one third, considerably faster than in 1964. In the case of the EEC, this development was primarily due to a 44 per cent expansion in shipments to the Federal Republic of Germany, but remarkably enough in view of the low import demand in the rest of the Economic Community - combined exports to all other member countries also advanced by one quarter. The growth in exports to the developing countries was considerably lower: excluding the deliveries of ships to Liberia and Panama, they expanded by 18 per cent to $3.3 billion, compared with 16 per cent one year earlier. (Page 196)

IV. TRADE OF NON-INDUSTRIAL AREAS

The year 1965 witnessed a number of significant changes in the trade position of non-industrial areas. Their total exports increased by only about 5 per cent as against 10 per cent in 1964, whereas imports grew by 5 as against 10½ per cent respectively. However, while in 1964 the exports of the Australia/New Zealand/South Africa group grew at about the same rate as those of the less-developed
areas, in 1965 the latter progressed by more than 6 per cent, whereas the former registered a small drop. Moreover, within the less-developed countries the gap between the export performance of the "oil producers" and the other countries, which was particularly pronounced in 1964, entirely disappeared in 1965 when both groups progressed at about the same rate. As a result, the rate of export growth of the less-developed countries other than the "oil producers" was about the same in 1965 as in 1964: around 6 per cent. (Page 201)

Latin America

The export earnings of Latin America increased by 4 ½ per cent in 1965 as against 9 per cent in 1964. This marked slowdown reflects mainly the virtual levelling off of exports from Venezuela, Peru, Cuba and Colombia, which together account for about 42 per cent of the area's total exports. In contrast, the four other major exporters - Argentina, Brazil, Chile and Mexico - which account for almost half of the total, registered a 9 per cent increase in 1965 as against only 5 per cent in 1964. Among the smaller countries, there was a substantial drop in the exports of the Dominican Republic and no or little increase in those of Costa Rica, Ecuador and Haiti, but continued expansion in all others. (Page 202)

South-East Asia

South-East Asia was the only less-developed region which registered an acceleration of export growth in 1965 when, according to preliminary estimates, export earnings increased by 5 3/4 per cent as against 4 per cent in 1964. This change was, however, entirely the consequence of the reversal of Singapore's export performance (largely re-exports and entrepôt trade) which, after having fallen from $1,135 million in 1963 to $903 million in 1964, recovered to $981 million in 1965. Excluding Singapore, the growth rate was 8 ½ per cent in 1964 and 5 ½ per cent in 1965.

Apart from Singapore, only Cambodia, Korea, Pakistan and Malaysia managed to increase their exports more rapidly in 1965 than in 1964, while Hong Kong continued to expand almost as quickly as in 1964. Exports from Burma, India and Viet-Nam declined and growth continued at a slower pace in Ceylon, Thailand and Taiwan. (Page 216)

Africa

Reliable trade totals are missing for a number of important trading countries (including Algeria, Liberia, the Democratic Republic of the Congo and others). Consequently, only broad orders of magnitude can be given for the development of foreign trade in Africa (excepting South Africa) in 1965. It appears, however, that after the exceptionally rapid growth of export earnings
registered in 1964 - about 18 per cent - the rate of expansion in 1965 was only around 8 per cent. Whereas in 1964 some twenty countries expanded their exports by more than 10 per cent, including such important exporters as Angola, Ivory Coast, Morocco, Tanzania and Uganda, in 1965 there were comparable performances by only six or seven countries, of which only Libya, Nigeria, Rhodesia and Zambia each accounted for more than 2 per cent of total African exports. The United Arab Republic was the only country where export growth accelerated notably in 1965. (Page 224)

**Middle East**

According to highly preliminary estimates, the value of exports from the Middle East, consisting largely of petroleum, increased by about 7 per cent in 1965, to $6.5 billion. The increase in imports was around 5 per cent, to $4.4 billion. Within these totals, the exports of non-oil producing countries increased by 9 per cent, from about $700 million to $760 million and their imports by 4 per cent, from $1,754 million to around $1,800 million. (Page 238)